

# **FISCAL NOTE**

## **SB 2535 - HB 3202**

February 17, 2000

**SUMMARY OF BILL:** Requires that TennCare HMOs accept verification of provider credentials from the Department of Health. The Division of Health Related Boards is to verify the credentials of all licensed health care providers. Requires TennCare MCOs to deny claim until a Medicaid provider number is issued and then to pay the claim as they would an out-of-network provider.

### **ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures - Exceeds \$100,000**

**Other Fiscal Impact - Increase Federal Expenditures - Exceeds \$200,000**

Assumes that:

- the requirement that MCOs continue payment to providers at out of network rates will raise costs to MCOs and eventually increase TennCare capitation rates. Out of network rates are usually higher than contracted network rates. The amount of such increase cannot be determined but can be reasonably estimated to exceed \$100,000 at a minimum.
- the bill does not require a TennCare MCO to accept any provider into it's network but only requires the use of stated credential requirements for those chosen by an MCO to participate in their network.

### **CERTIFICATION:**

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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